



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

THIS MEMO HAS BEEN REPLACED BY OSUP MEMO #2010-11

August 14, 2002

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2003-13

TO: All ISIS HR-Paid Agencies

FROM: Jena W. Cary
Director

SUBJECT: Deceased Employee's Final Payments

Wages paid on the behalf of a deceased employee follow special tax treatment and employer reporting requirements. When wages are paid after the death of an employee, regardless of when the wages were earned, the payment is taxable income to the payee (which is generally the estate of or a beneficiary of the deceased employee). Taxes withheld from such wages vary depending on the nature and timing of the payments. ISIS HR On-line Help aids agencies in processing the final payment for Year of Death (YOD) and Year after Death (YAD). Using the correct tax model will ensure the correct taxing of the payment and will allow OSUP to run reports to generate the necessary 1099(s) at year end. Please use the following guidelines to ensure that the laws that govern "Deceased Employee's Payments" are adhered to:

1. Notify OSUP as soon as possible that an employee has deceased.
2. Follow On-line Help for instructions on processing the final payment.
3. Process a regular period on demand check using **only** "check" as the payment method. **(Notify OSUP when payment is entered into ISIS. The check will be pulled, verified for correct taxing and forwarded to the agency.)**
4. Change the payee's name using guidelines below. **(Never process final payment payable to the deceased employee.)**

If the gross of the final check is less than \$6,000.00:

The check must be made payable to a surviving spouse, major child, or the estate of the deceased employee.

If the gross of the final check is more than \$6,000.00:

The first \$6,000.00 can be made payable to the surviving spouse or major child. Any amount over \$6,000.00 **must** be made payable to the estate of the deceased employee.

5. Before the release of a deceased employee's final check, the following forms must be completed. These forms, along with a copy of the check, must be sent

to OSUP. The agency must also notify the Department of Revenue within 10 days of the release of funds payable to the surviving spouse or major child. See below for the forms needed by OSUP and Revenue.

Payments made to the surviving spouse or major child:

All of the forms below must be completed with the payee's name and Social Security number to ensure correct reporting. (Copy and sample of forms are attached.) See the website listed below for the statute listing the Department of Revenue's requirements.

<http://www.legis.state.la.us/tsrs/tsrs.asp?lawbody=RS&title=9§ion=1515>

<u>Forms:</u>	<u>Copies Must Be Sent To:</u>
W-9 (Taxpayer Identification Number & Certification)	OSUP
Affidavit (sample)	OSUP & Revenue
Release (sample)	OSUP & Revenue
Form 1099 Request (OSUP/F52)	OSUP

Payments made to the Estate of deceased employee:

All of the forms below must be completed with "Estate of deceased employee's name" and the deceased employee's Social Security number or the estate's tax identification number. (Copy of forms are attached)

<u>Forms:</u>	<u>Copies Must Be Sent To:</u>
W-9 (Taxpayer Identification Number & Certification)	OSUP
Form 1099 Request (OSUP/F52)	OSUP

Refer to OSUP Memorandum #2000-49 dated February 10, 2000 and #2001-23 dated November 22, 2000 for more information. Questions on how to process payment in ISIS HR should be directed to the ISIS Help Desk at (225) 342-2677. All other questions and copies of all necessary forms should be directed to a member of the OSUP Wage and Tax Administration Unit at (225):

Rhonda Desselle	342-8928	Rachel Bryant	342-1651
Dorothy Piazza	342-1652	Lawanna Green	342-0714
Wendy Eggert	219-0191	Fax Number	342-1650

JWC:cm:kmb

Attachments: W-9 (Taxpayer Identification Number & Certification) Form
Affidavit (sample)
Release (sample)

Form 1099 Request (OSUP/F52) Form